

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001(ss) be amended to read as follows:

- 1 Page 11, between lines 15 and 16, begin a new paragraph and insert:
- 2 "SECTION 10. IC 4-31-1-2 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The ~~purpose~~
- 4 **purposes** of this article ~~is~~ **are** to:
- 5 (1) permit pari-mutuel wagering on horse races in Indiana; ~~and to~~
- 6 (2) **permit the sale of pari-mutuel pull tabs at racetracks and**
- 7 **satellite facilities in Indiana;**
- 8 (3) ensure that ~~the sale of pari-mutuel pull tabs and~~ pari-mutuel
- 9 wagering on horse races in Indiana will be conducted with the
- 10 highest of standards and the greatest level of integrity; ~~and~~
- 11 (4) **maximize and preserve state revenues generated from the**
- 12 **various forms of permitted gaming and wagering by ensuring**
- 13 **that the various forms of permitted gaming and wagering**
- 14 **occur in different geographic regions of the state.**
- 15 SECTION 11. IC 4-31-2-11.5 IS ADDED TO THE INDIANA
- 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 17 [EFFECTIVE JULY 1, 2002]: Sec. 11.5. "Pari-mutuel pull tab"
- 18 **means a game offered to the public in which a person who**
- 19 **purchases a ticket or simulated ticket has the opportunity to share**
- 20 **in a prize pool, multiple prize pools, or a shared prize pool**
- 21 **consisting of the total amount wagered in the game minus**
- 22 **deductions by the permit holder selling the pari-mutuel pull tab**
- 23 **and other deductions either permitted or required by law.**
- 24 SECTION 12. IC 4-31-4-1.3 IS AMENDED TO READ AS
- 25 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1.3. (a) This section
- 26 does not apply to a person who satisfies all of the following:
- 27 (1) The person was issued a satellite facility license before
- 28 January 2, 1996.
- 29 (2) The person operated a satellite facility before January 2, 1996.

(3) The person is currently operating the satellite facility under the license.

(b) A person may not operate under a satellite facility license unless both of the following apply:

(1) The county fiscal body of the county in which the satellite facility will be operated has adopted an ordinance under section 2.5 of this chapter.

(2) The person secures a license under IC 4-31-5.5.

(c) Notwithstanding any other provision of this article, subsection (b)(1) does not apply to a permit holder who:

(1) was issued a permit before January 1, 2002; and

(2) files an application to operate a satellite facility in a county having a consolidated city.

SECTION 13. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or
(2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended with the intent to restrict a permit holder's ability to sell pari-mutuel pull tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs is not a requirement for the lawful sale of pari-mutuel pull tabs under IC 4-31-7.5.

SECTION 14. IC 4-31-4-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2.5. (a) A county fiscal

body may adopt an ordinance permitting the filing of applications under IC 4-31-5.5 for operation of a satellite facility in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

- (1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter; or
- (2) amend an ordinance already adopted in the county to require that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who was issued a license under IC 4-31-5.5 before the ordinance was amended.

(c) Notwithstanding any other provision of this article, this section does not apply to a permit holder who:

- (1) was issued a permit before January 1, 2002; and**
- (2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 15. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) This section does not apply to either of the following:

(1) A permit holder who satisfies all of the following:

- (A) The permit holder was issued a permit before January 2, 1996.
- (B) The permit holder conducted live racing before January 2, 1996.
- (C) The permit holder is currently operating under the permit.

(2) A person who satisfies all of the following:

- (A) The person was issued a satellite facility license before January 2, 1996.
- (B) The person operated a satellite facility before January 2, 1996.
- (C) The person is currently operating the satellite facility under the license.

(b) This section applies if either of the following apply:

(1) Both of the following are satisfied:

- (A) An ordinance is adopted under section 2 or 2.5 of this chapter.
- (B) The ordinance requires the voters of the county to approve either of the following:

- 1 (i) The conducting of horse racing meetings in the county.
- 2 (ii) The operation of a satellite facility in the county.
- 3 (2) A local public question is required to be held under section
- 4 2.7 of this chapter following the filing of a petition with the
- 5 circuit court clerk:
- 6 (A) signed by at least the number of registered voters of the
- 7 county required under IC 3-8-6-3 to place a candidate on the
- 8 ballot; and
- 9 (B) requesting that the local public question set forth in
- 10 subsection (d) be placed on the ballot.
- 11 (c) Notwithstanding any other provision of this article, the
- 12 commission may not issue a recognized meeting permit under
- 13 IC 4-31-5 to allow the conducting of or the assisting of the conducting
- 14 of a horse racing meeting unless the voters of the county in which the
- 15 property is located have approved conducting recognized meetings in
- 16 the county.
- 17 (d) For a local public question required to be held under subsection
- 18 (c), the county election board shall place the following question on the
- 19 ballot in the county during the next general election:
- 20 "Shall horse racing meetings at which pari-mutuel wagering
- 21 occurs be allowed in _____ County?".
- 22 (e) Notwithstanding any other provision of this article, the
- 23 commission may not issue a satellite facility license under IC 4-31-5.5
- 24 to operate a satellite facility unless the voters of the county in which the
- 25 satellite facility will be located approve the operation of the satellite
- 26 facility in the county.
- 27 (f) For a local public question required to be held under subsection
- 28 (e), the county election board shall place the following question on the
- 29 ballot in the county during the next general election:
- 30 "Shall satellite facilities at which pari-mutuel wagering occurs be
- 31 allowed in _____ County?".
- 32 (g) A public question under this section must be certified in
- 33 accordance with IC 3-10-9-3 and shall be placed on the ballot in
- 34 accordance with IC 3-10-9.
- 35 (h) The circuit court clerk of a county holding an election under this
- 36 chapter shall certify the results determined under IC 3-12-4-9 to the
- 37 commission and the department of state revenue.
- 38 (i) If a public question is placed on the ballot under subsection (d)
- 39 or (f) in a county and the voters of the county do not vote in favor of the
- 40 public question, a second public question under that subsection may
- 41 not be held in the county for at least two (2) years. If the voters of the
- 42 county vote to reject the public question a second time, a third or
- 43 subsequent public question under that subsection may not be held in
- 44 the county until the general election held during the tenth year
- 45 following the year of the previous public question held under that
- 46 subsection.
- 47 **(j) Notwithstanding any other provision of this article, this**

1 **section does not apply to a permit holder who:**

- 2 **(1) was issued a permit before January 1, 2002; and**
 3 **(2) files an application to operate a satellite facility in a county**
 4 **having a consolidated city.**

5 SECTION 16. IC 4-31-5-6 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The commission
 7 may not issue a recognized meeting permit unless the applicant has
 8 filed with the commission:

- 9 (1) a financial statement prepared and certified by a certified
 10 public accountant in accordance with sound accounting practices,
 11 showing the net worth of the applicant;
 12 (2) a statement from the department of state revenue and the
 13 treasurer of state that there are no pari-mutuel taxes or other
 14 obligations owed by the applicant to the state or any of its
 15 departments or agencies;
 16 (3) a statement from the county treasurer of the county in which
 17 the applicant proposes to conduct horse racing meetings that there
 18 are no real or personal property taxes owed by any of the
 19 principals seeking the permit; and
 20 (4) a statement of obligations that are owed or being contested,
 21 including salaries, purses, entry fees, laboratory fees, and debts
 22 owed to vendors and suppliers.

23 (b) In addition to the requirements of subsection (a), the commission
 24 may not issue a recognized meeting permit for a recognized meeting to
 25 occur in a county unless IC 4-31-4 has been satisfied.

26 **(c) In addition to the requirements of subsections (a) and (b), the**
 27 **commission may not issue a recognized meeting permit for a**
 28 **recognized meeting to occur at a location within thirty (30) linear**
 29 **miles of a location for which another permit holder has been issued**
 30 **a recognized meeting permit for a recognized meeting to occur.**

31 SECTION 17. IC 4-31-5-15 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. **Except as**
 33 **provided in IC 4-31-7.5,** any fees or penalties collected by the
 34 commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall
 35 be paid into the state general fund.

36 SECTION 18. IC 4-31-5.5-3 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) As used in this
 38 section, "live racing day" means a day on which at least eight (8) live
 39 horse races are conducted.

40 (b) The commission's authority to issue satellite facility licenses is
 41 subject to the following conditions:

- 42 (1) The commission may issue four (4) satellite facility licenses
 43 to each permit holder that:
 44 (A) conducts at least one hundred twenty (120) live racing
 45 days per year at the racetrack designated in the permit holder's
 46 permit; and
 47 (B) meets the other requirements of this chapter and the rules

- 1 adopted under this chapter.
- 2 If a permit holder that operates satellite facilities does not meet
- 3 the required minimum number of live racing days, the permit
- 4 holder may not operate the permit holder's satellite facilities
- 5 during the following year. However, the requirement for one
- 6 hundred twenty (120) live racing days does not apply if the
- 7 commission determines that the permit holder is prevented from
- 8 conducting live horse racing as a result of a natural disaster or
- 9 other event over which the permit holder has no control. In
- 10 addition, if the initial racing meeting conducted by a permit
- 11 holder commences at such a time as to make it impractical to
- 12 conduct one hundred twenty (120) live racing days during the
- 13 permit holder's first year of operations, the commission may
- 14 authorize the permit holder to conduct simulcast wagering during
- 15 the first year of operations with fewer than one hundred twenty
- 16 (120) live racing days.
- 17 (2) Each proposed satellite facility must be covered by a separate
- 18 application. The timing for filing an initial application for a
- 19 satellite facility license shall be established by the rules of the
- 20 commission.
- 21 (3) A satellite facility must:
- 22 (A) have full dining service available;
- 23 (B) have multiple screens to enable each patron to view
- 24 simulcast races; and
- 25 (C) be designed to seat comfortably a minimum of four
- 26 hundred (400) persons.
- 27 (4) In determining whether a proposed satellite facility should be
- 28 approved, the commission shall consider the following:
- 29 (A) The purposes and provisions of this chapter.
- 30 (B) The public interest.
- 31 (C) The impact of the proposed satellite facility on live racing.
- 32 (D) The impact of the proposed satellite facility on the local
- 33 community.
- 34 (E) The potential for job creation.
- 35 (F) The quality of the physical facilities and the services to be
- 36 provided at the proposed satellite facility.
- 37 (G) Any other factors that the commission considers important
- 38 or relevant to its decision.
- 39 (5) The commission may not issue a license for a satellite facility
- 40 to be located in a county unless IC 4-31-4 has been satisfied.
- 41 **(6) Not more than one (1) license may be issued to each permit**
- 42 **holder to operate a satellite facility located in a county having**
- 43 **a consolidated city. The maximum number of licenses that the**
- 44 **commission may issue for satellite facilities to be located in a**
- 45 **county having a consolidated city is two (2) licenses.**
- 46 SECTION 19. IC 4-31-5.5-6 IS AMENDED TO READ AS
- 47 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. A permit holder or

group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

- (1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.
- (2) Construction or leasing of satellite wagering facilities.
- (3) Sale of food and beverages.
- (4) Advertising and promotion.
- (5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**
- (6) All other related activities.

SECTION 20. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed to authorize the permit holder to operate a satellite facility on the real property. An ordinance described in this section may not be amended to prohibit the permit holder from operating a satellite facility on the real property.**

SECTION 21. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

- (1) another place other than that provided and designated by the person; or
- (2) another method or system of betting or wagering.

However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's racetrack or satellite facility as permitted by IC 4-31-7.5.

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 22. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing

1 meeting.

2 (b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age
3 may not enter the grandstand, clubhouse, or similar areas of a racetrack
4 at which wagering is permitted unless accompanied by a person who
5 is at least twenty-one (21) years of age.

6 (c) A person less than eighteen (18) years of age may not enter a
7 satellite facility.

8 (d) **A person less than twenty-one (21) years of age may not**
9 **enter the part of a satellite facility or racetrack in which**
10 **pari-mutuel pull tabs are sold and redeemed.**

11 SECTION 23. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE
12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2002]:

14 **Chapter 7.5. Pari-Mutuel Pull Tabs**

15 **Sec. 1. (a) This chapter applies only to the sale of pari-mutuel**
16 **pull tabs by a person that holds a permit to conduct a pari-mutuel**
17 **horse racing meeting issued under IC 4-31-5.**

18 (b) **This chapter does not apply to the sale of pull tabs by a**
19 **qualified organization (as defined in IC 4-32-6-20) under IC 4-32.**

20 **Sec. 2. A pari-mutuel pull tab game must be conducted in the**
21 **following manner:**

22 (1) **Each set of tickets must have a predetermined:**

23 (A) **total purchase price; and**

24 (B) **amount of prizes.**

25 (2) **Randomly ordered pari-mutuel pull tab tickets may be**
26 **distributed from an approved location or from a distribution**
27 **device to:**

28 (A) **the permit holder at the permit holder's racetrack or**
29 **satellite facility, or both; or**

30 (B) **a terminal or device of the permit holder at the permit**
31 **holder's racetrack or satellite facility, or both.**

32 (3) **A pari-mutuel pull tab ticket must be presented to a player**
33 **in the form of a paper ticket or display on a terminal or**
34 **device.**

35 (4) **Game results must be initially covered or otherwise**
36 **concealed from view on the pari-mutuel pull tab ticket,**
37 **terminal, or device so that the number, letter, symbol, or set**
38 **of numbers, letters, or symbols cannot be seen until the**
39 **concealing medium is removed.**

40 (5) **A winner is identified after the display of the game results**
41 **when a player removes the concealing medium of the**
42 **pari-mutuel pull tab ticket or display on a terminal or device.**

43 (6) **A winner shall receive the prize or prizes posted or**
44 **displayed for the game from the permit holder.**

45 **Sec. 3. A person less than twenty-one (21) years of age may not**
46 **purchase a pari-mutuel pull tab ticket.**

47 **Sec. 4. The sale price of a pari-mutuel pull tab ticket may not**
48 **exceed ten dollars (\$10).**

1 **Sec. 5. (a) The sale, purchase, and redemption of pari-mutuel**
 2 **pull tab tickets are limited to the following locations:**

3 (1) A live pari-mutuel horse racing facility operated by a
 4 permit holder under a recognized meeting permit in a county
 5 having a population of more than forty-three thousand
 6 (43,000) but less than forty-five thousand (45,000).

7 (2) A satellite facility that is located in a county containing a
 8 consolidated city and operated by a permit holder described
 9 in subdivision (1).

10 (3) A live pari-mutuel horse racing facility operated by a
 11 permit holder under a recognized meeting permit in a county
 12 having a population of more than one hundred thirty
 13 thousand (130,000) but less than one hundred forty-five
 14 thousand (145,000).

15 (4) A satellite facility that is located in a county containing a
 16 consolidated city and operated by a permit holder described
 17 in subdivision (3).

18 **(b) A permit holder may not install more than:**

19 (1) seven hundred (700) pull tab terminals or devices on the
 20 premises of the permit holder's live pari-mutuel horse racing
 21 facility; and

22 (2) seven hundred (700) pull tab terminals or devices on the
 23 premises of the permit holder's satellite facility located in a
 24 county containing a consolidated city.

25 **(c) Notwithstanding IC 4-31-5.5-3, the Indiana horse racing**
 26 **commission may issue the satellite facility license described in**
 27 **subsection (a)(2) before a permit holder described in subsection**
 28 **(a)(1) commences an initial racing meeting.**

29 **(d) If:**

30 (1) the Indiana horse racing commission issues the satellite
 31 facility license described in subsection (a)(2) before the permit
 32 holder described in subsection (a)(1) commences the initial
 33 racing meeting; and

34 (2) the initial racing meeting is commenced more than one (1)
 35 year after the date on which the satellite facility begins
 36 operation under the satellite facility license;

37 **the satellite facility's business operations shall be suspended until**
 38 **the commencement of the initial racing meeting.**

39 **Sec. 6. The number and amount of the prizes in a pari-mutuel**
 40 **pull tab game must be finite but may not be limited.**

41 **Sec. 7. A list of prizes for winning pari-mutuel pull tab tickets**
 42 **must be posted or displayed at a location where the tickets are sold.**

43 **Sec. 8. A permit holder may close a pari-mutuel pull tab game**
 44 **at any time.**

45 **Sec. 9. A terminal or device selling pari-mutuel pull tab tickets**
 46 **may be operated by a player without the assistance of the permit**
 47 **holder for the sale and redemption of pari-mutuel pull tab tickets.**

48 **Sec. 10. A terminal or device selling pari-mutuel pull tab tickets**

1 may not dispense coins or currency as prizes for winning tickets.
 2 Prizes awarded by a terminal or device must be in the form of
 3 credits for additional play or certificates redeemable for cash or
 4 prizes.

5 Sec. 11. (a) The Indiana gaming commission shall adopt rules
 6 under IC 4-22-2, including emergency rules under IC 4-22-2-37.1,
 7 to implement this chapter, including rules that prescribe:

8 (1) an approval process for pari-mutuel pull tab games that
 9 requires periodic testing of the games and equipment by an
 10 independent entity under the oversight of the commission to
 11 ensure the integrity of the games to the public;

12 (2) a system of internal audit controls;

13 (3) a method of payment for pari-mutuel pull tab prizes that
 14 allows a player to transfer credits from one (1) terminal or
 15 device to another;

16 (4) a method of payment for pari-mutuel pull tab prizes that
 17 allows a player to redeem a winning ticket for additional play
 18 tickets or credit to permit purchase of additional play tickets;

19 (5) requirements for a license to sell pari-mutuel pull tabs that
 20 a permit holder must obtain from the commission before
 21 selling pari-mutuel pull tabs; and

22 (6) any other procedure or requirement necessary for the
 23 efficient and economical operation of the pari-mutuel pull tab
 24 games and the convenience of the public.

25 (b) The Indiana gaming commission may enter into a contract
 26 with the Indiana horse racing commission for the provision of
 27 services necessary to administer pari-mutuel pull tab games.

28 Sec. 12. (a) The Indiana gaming commission may issue a license
 29 to a permit holder to sell pari-mutuel pull tabs under this chapter
 30 at the locations described in section 5 of this chapter.

31 (b) Before issuing a license to a permit holder under this section,
 32 the Indiana gaming commission shall subject the permit holder to
 33 a background investigation similar to a background investigation
 34 required of an applicant for a riverboat owner's license under
 35 IC 4-33-6.

36 (c) An initial pari-mutuel pull tab license expires five (5) years
 37 after the effective date of the license.

38 (d) Unless the pari-mutuel pull tab license is terminated, expires,
 39 or is revoked, the pari-mutuel pull tab license may be renewed
 40 annually upon:

41 (1) the payment of an annual renewal fee determined by the
 42 Indiana gaming commission; and

43 (2) a determination by the Indiana gaming commission that
 44 the licensee satisfies the conditions of this chapter.

45 (e) A permit holder holding a pari-mutuel pull tab license shall
 46 undergo a complete investigation every three (3) years to
 47 determine that the permit holder remains in compliance with this
 48 article.

(f) Notwithstanding subsection (e), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(g) The permit holder shall bear the cost of an investigation or reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

Sec. 13. The Indiana gaming commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all of the commission's costs of administering the pari-mutuel pull tab games.

Sec. 14. The Indiana gaming commission may not permit the sale of pari-mutuel pull tab tickets in a county where a riverboat is docked.

Sec. 15. All shipments of gambling devices, including pari-mutuel pull tab machines, to permit holders in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indiana.

Sec. 16. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the legislature, declares and proclaims that the state is exempt from 15 U.S.C. 1172.

Sec. 17. The Indiana gaming commission shall regulate and administer the sale, purchase, and redemption of pari-mutuel pull tab tickets under this chapter.

SECTION 24. IC 4-31-7.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 7.6. Taxation of Pari-Mutuel Pull Tabs and Fees

Sec. 1. (a) This chapter applies only to the lawful sale of pari-mutuel pull tabs by a person that:

- (1) holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5; and
- (2) is authorized to sell pari-mutuel pull tabs under IC 4-31-7.5.

(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

(c) This chapter may not itself be construed to authorize the sale of pari-mutuel pull tabs.

Sec. 2. As used in this chapter, "adjusted gross receipts" means:

- (1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from pari-mutuel pull tab sales; minus
- (2) the total of:

(A) all cash paid out to patrons as winnings for pari-mutuel pull tabs; and

(B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from pari-mutuel pull tab sales; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for pari-mutuel pull tabs.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from pari-mutuel pull tab sales.

Sec. 2.5. As used in this chapter, "county resident student" means a student enrolled in a school corporation who resides in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

Sec. 3. (a) A tax is imposed on the adjusted gross receipts received from the sale of pari-mutuel pull tabs authorized under this article at the rate of:

(1) thirty-two and five-tenths percent (32.5%) of the first one hundred fifty million dollars (\$150,000,000) of the adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year; and

(2) thirty-seven and five-tenths percent (37.5%) of the adjusted gross receipts exceeding one hundred fifty million dollars (\$150,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

For purposes of calculating the amount of taxes imposed under this section each day, a permit holder shall combine the permit holder's adjusted gross receipts received from the sale of pari-mutuel pull tabs at the permit holder's racetrack and the permit holder's satellite facility located in a county containing a consolidated city.

(b) The permit holder shall remit the tax imposed by this section to the department before the close of the business day following the day the pari-mutuel pull tabs are sold.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the permit holder to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-31-9.

Sec. 4. (a) The state pull tab wagering fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

1 (b) The department shall deposit tax revenue collected under
2 section 3 of this chapter in the state pull tab wagering fund.

3 (c) Each month, the treasurer of state shall distribute the tax
4 revenue deposited in the state pull tab wagering fund under this
5 section as follows:

6 (1) Thirty percent (30%) of the tax revenue remitted by each
7 permit holder shall be paid as follows:

8 (A) In the case of a racetrack that is located in a county
9 having a population of more than one hundred thirty
10 thousand (130,000) but less than one hundred forty-five
11 thousand (145,000), the amount determined under
12 subsection (d) shall be paid as follows:

13 (i) Fifty-eight percent (58%) to a city having a
14 population of more than fifty-nine thousand seven
15 hundred (59,700) but less than sixty-five thousand
16 (65,000).

17 (ii) Seventeen percent (17%) to the capital projects fund
18 of the county for distribution by the county legislative
19 body.

20 (iii) Seventeen percent (17%) to the school corporations
21 located in the county. The tax revenue distributed under
22 this item must be divided among the school corporations
23 on a pro rata basis according to the ratio the number of
24 county resident students enrolled in each school
25 corporation bears to the total number of county resident
26 students enrolled in the school corporations located in
27 the county. Revenue received by a school corporation
28 under this item is considered miscellaneous revenue.

29 (iv) Eight percent (8%) to the incorporated cities and
30 towns located in the county other than a city described in
31 item (i). The tax revenue distributed under this item
32 must be divided among the cities and towns on a pro rata
33 basis according to the ratio the population of each city or
34 town bears to the total population of the county minus
35 the population of a city described in item (i).

36 (B) In the case of a racetrack that is located in a county
37 having a population of more than forty-three thousand
38 (43,000) but less than forty-five thousand (45,000), the
39 amount determined under subsection (e) shall be paid to
40 the county. However, if a city having a population of more
41 than seventeen thousand nine hundred (17,900) but less
42 than eighteen thousand one hundred (18,100) that is
43 located in the county annexes the territory in which the
44 racetrack is located, the amount determined under
45 subsection (e) shall be paid in equal amounts to:

46 (i) the county; and

47 (ii) the annexing city.

48 (C) In the case of the satellite facilities located in a county

1 containing a consolidated city, the amount determined
2 under subsection (f) shall be paid as follows:

3 (i) Forty-one and seven-tenths percent (41.7%) to the
4 consolidated city.

5 (ii) Twenty and eight-tenths percent (20.8%) to the
6 housing trust fund established under
7 IC 36-7-15.1-35.5(e).

8 (iii) Twelve and five-tenths percent (12.5%) to the
9 county.

10 (iv) Twenty-five percent (25%) to the school
11 corporations located in the county containing a
12 consolidated city. The tax revenue distributed under this
13 item must be divided among the school corporations on
14 a pro rata basis according to each school corporation's
15 ADM (as defined in IC 21-3-1.6-1.1).

16 (2) After the distributions required under subdivision (1) are
17 made, the next twenty-six million dollars (\$26,000,000) of tax
18 revenue shall be paid to the commission to be distributed as
19 follows:

20 (A) Three percent (3%) is to be distributed in equal
21 amounts for the support and operation of the following
22 horsemen's associations (as defined in IC 4-31-8-6):

23 (i) The horsemen's associations representing the
24 standardbred owners and trainers.

25 (ii) The horsemen's associations representing the
26 thoroughbred owners and trainers.

27 (iii) The horsemen's associations representing the
28 quarterhorse owners and trainers.

29 (B) The remainder is to be distributed, in amounts
30 determined by the commission, for the promotion and
31 operation of horse racing, as follows:

32 (i) To a breed development fund established by the
33 commission under IC 4-31-11-10.

34 (ii) To each racetrack that has been approved by the
35 commission under this article. The commission may
36 make a grant under this item only for purses,
37 promotions, and routine operations.

38 (iii) To county fairs, 4-H fairs, a fair located in a town
39 having a population of more than one thousand one
40 hundred (1,100) located in a county having a population
41 of more than thirty-six thousand seventy-five (36,075)
42 but less than thirty-seven thousand (37,000), and a
43 trotting association located in a county having a
44 population of more than twenty-one thousand eight
45 hundred (21,800) but less than twenty-two thousand one
46 hundred (22,100). Distributions made under this item
47 shall be used for the maintenance and operation of horse
48 racing facilities.

(3) After the distributions required under subdivisions (1) and (2) are made, the remainder of tax revenue remitted by each permit holder shall be paid to the state general fund.

(d) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000). The amount of tax revenues to be distributed under subsection (c)(1)(A) is determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

STEP TWO: Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

STEP THREE: Determine the ratio of the STEP TWO amount to the STEP ONE amount.

STEP FOUR: Multiply the STEP ONE amount by thirty percent (30%).

STEP FIVE: Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(e) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000). The amount of tax revenues to be distributed under subsection (c)(1)(B) is determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

STEP TWO: Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

STEP THREE: Determine the ratio of the STEP TWO amount to the STEP ONE amount.

STEP FOUR: Multiply the STEP ONE amount by thirty percent (30%).

STEP FIVE: Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(f) This subsection applies to tax revenues received from both satellite facilities located in a county containing a consolidated city. The amount of the tax revenues distributed under subsection (c)(1)(C) is determined under STEP SIX of the following formula:

STEP ONE: Determine the sum of the subsection (d) STEP ONE amount and the subsection (e) STEP ONE amount.

STEP TWO: Determine the sum of the subsection (d) STEP TWO amount and the subsection (e) STEP TWO amount.

STEP THREE: Determine the remainder of the sum determined under STEP ONE minus the sum determined under STEP TWO.

1 **STEP FOUR: Determine the ratio of the amount determined**
 2 **under STEP THREE to the sum determined under STEP**
 3 **ONE.**

4 **STEP FIVE: Multiply the sum determined under STEP ONE**
 5 **by thirty percent (30%).**

6 **STEP SIX: Multiply the STEP FIVE result by the ratio**
 7 **determined under STEP FOUR.**

8 **Sec. 5. (a) As used in this section, "net receipts" means a permit**
 9 **holder's adjusted gross receipts, minus any taxes paid under**
 10 **section 3 of this chapter.**

11 **(b) Beginning January 1 following the second anniversary of the**
 12 **date that the sale of pari-mutuel pull tab tickets begins at a location**
 13 **described in this chapter and every year thereafter, the permit**
 14 **holder shall pay the percentage of the permit holder's net receipts**
 15 **set forth in subsection (c) to the commission for purse money and**
 16 **breed development.**

17 **(c) Beginning January 1 of the following years of operation, the**
 18 **purse money and breed development fee is equal to the following**
 19 **percentages of the permit holder's net receipts:**

20 Year 3	2%
21 Year 4	2%
22 Year 5	5%
23 Year 6	7%
24 Year 7	8%
25 Year 8	9%
26 Year 9	10%
27 Year 10 and each	
28 year thereafter	12%

29 **(d) The commission shall allocate money received under this**
 30 **section to purses and breed development.**

31 **Sec. 6. (a) The commission shall annually impose a supplemental**
 32 **fee of two hundred fifty thousand dollars (\$250,000) upon each**
 33 **permit holder operating a racetrack under this article.**

34 **(b) Fifty percent (50%) of the annual fees collected under this**
 35 **section must be used for training facilities and capital**
 36 **improvements, including stall improvements.**

37 **(c) Fifty percent (50%) of the annual fees collected under this**
 38 **section must be used to promote live racing at county and 4-H**
 39 **fairgrounds.**

40 **Sec. 7. This chapter does not prohibit a city or county in which**
 41 **pari-mutuel pull tabs are offered for sale under IC 4-31-7.5 from**
 42 **entering into agreements with other units of local government in**
 43 **Indiana or in other states to share the city's or county's part of the**
 44 **tax revenue received under this chapter.**

45 **SECTION 25. IC 4-31-9-1 IS AMENDED TO READ AS**
 46 **FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. A person that holds**
 47 **a permit to conduct a horse racing meeting or a license to operate a**
 48 **satellite facility shall withhold:**

- (1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools **but excluding money wagered on pari-mutuel pull tabs under IC 4-31-7.5**); plus
- (2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 26. IC 4-32-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. An excise tax is imposed on the distribution of pull tabs (**excluding pari-mutuel pull tabs under IC 4-31-7.5**), punchboards, and tip boards in the amount of ten percent (10%) of the wholesale price for the pull tabs, punchboards, and tip boards.

SECTION 27. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This article applies only to the following:

- (1) Counties contiguous to Lake Michigan.
- (2) Counties contiguous to the Ohio River.
- (3) ~~Counties contiguous to Patoka Lake.~~ **A historic district that:**
 - (A) **is established under IC 36-7-11;**
 - (B) **is located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000); and**
 - (C) **consists solely of the real property owned by the historic resort hotels located in:**
 - (i) **a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200); and**
 - (ii) **a town having a population of less than one thousand five hundred (1,500).**

SECTION 28. IC 4-33-2-5.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.6. "Cruise" means to depart from the dock while gambling is being conducted.**

SECTION 29. IC 4-33-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. "Dock" means the location where ~~an excursion~~ a riverboat moors for the purpose of embarking passengers for and disembarking passengers from ~~a gambling excursion.~~ **the riverboat.**

SECTION 30. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.5. "Historic resort hotel" means a structure originally built as a hotel that contained at least three hundred (300) sleeping rooms on or before January 1, 1930.**

SECTION 31. IC 4-33-2-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. "Licensed operating**

1 **agent" means a person licensed under IC 4-33-6.5 to operate a**
 2 **riverboat in a historic district described in IC 4-33-1-1(3) on behalf**
 3 **of the district's historic preservation commission.**

4 SECTION 32. IC 4-33-2-14.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Operating agent's**
 7 **license" means a license issued under IC 4-33-6.5 that allows a**
 8 **person to operate a riverboat in a historic district described in**
 9 **IC 4-33-1-1(3) on behalf of the district's historic preservation**
 10 **commission.**

11 SECTION 33. IC 4-33-2-15.5 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. "Patron" means an**
 14 **individual who:**

15 **(1) boards a riverboat; and**

16 **(2) is not entitled to receive a tax free pass.**

17 SECTION 34. IC 4-33-2-15.7 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: **Sec. 15.7. "Permanently moored**
 20 **vessel" means a vessel located in a historic district described in**
 21 **IC 4-33-1-1(3) on which lawful gambling is authorized and licensed**
 22 **under this article. The term does not include a barge.**

23 SECTION 35. IC 4-33-2-16 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. "Person" means**
 25 **an individual, a sole proprietorship, a partnership, an association, a**
 26 **fiduciary, a corporation, a limited liability company, a historic district,**
 27 **or any other business entity.**

28 SECTION 36. IC 4-33-2-16.3 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2002] **Sec. 16.3. "Pari-mutuel pull tab" has**
 31 **the meaning set forth in IC 4-31-2-11.5.**

32 SECTION 37. IC 4-33-2-16.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2002]: **Sec. 16.5. "Reporting period" means**
 35 **a twenty-four (24) hour increment used by the department under**
 36 **this article, commencing at 6 a.m. on one (1) day and concluding at**
 37 **5:59 a.m. the following day.**

38 SECTION 38. IC 4-33-2-17 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17. "Riverboat"**
 40 **means either of the following on which lawful gambling is**
 41 **authorized under this article:**

42 **(1) A self-propelled ~~excursion~~ boat located in a county described**
 43 **in ~~IC 4-33-1-1~~ on which lawful gambling is authorized and**
 44 **licensed under this article. IC 4-33-1-1(1) or IC 4-33-1-1(2) that**
 45 **complies with IC 4-33-6-6(a).**

46 **(2) A permanently moored vessel located in a historic district**
 47 **described in IC 4-33-1-1(3).**

1 SECTION 39. IC 4-33-3-7 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. Each member of the
 3 commission is entitled to receive the following:

4 (1) Salary per diem ~~as provided in IC 4-10-11-2.1(b)~~, **of one**
 5 **hundred dollars (\$100)** for each day the member does any of the
 6 following:

7 (A) Attends a meeting of the commission.

8 (B) Conducts a hearing under this article.

9 (2) Reimbursement for traveling expenses and other expenses
 10 actually incurred in connection with the member's duties, as
 11 provided in the state travel policies and procedures established by
 12 the department of administration and approved by the budget
 13 agency.

14 SECTION 40. IC 4-33-4-2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The commission
 16 shall adopt rules under IC 4-22-2 for the following purposes:

17 (1) Administering this article.

18 (2) Establishing the conditions under which riverboat gambling
 19 in Indiana may be conducted.

20 (3) Providing for the prevention of practices detrimental to the
 21 public interest and providing for the best interests of riverboat
 22 gambling.

23 ~~(4) With respect to riverboats that operate on Patoka Lake,~~
 24 ~~ensuring:~~

25 ~~(A) the prevention of practices detrimental to the natural~~
 26 ~~environment and scenic beauty of Patoka Lake; and~~

27 ~~(B) compliance by licensees and riverboat patrons with the~~
 28 ~~requirements of IC 14-26-2-5 and IC 14-28-1.~~

29 ~~(5) (4)~~ Establishing rules concerning inspection of riverboats and
 30 the review of the permits or licenses necessary to operate a
 31 riverboat.

32 ~~(6) (5)~~ Imposing penalties for noncriminal violations of this
 33 article.

34 **(6) Establishing ethical standards regulating the conduct of**
 35 **members of a historic preservation commission established**
 36 **under IC 36-7-11-4.5 with regard to the selection and**
 37 **licensure of an operating agent to operate a riverboat in a**
 38 **historic district described in IC 4-33-1-1(3).**

39 **(7) Establishing the conditions under which the sale, purchase,**
 40 **and redemption of pari-mutuel pull tabs may be conducted**
 41 **under IC 4-31-7.5.**

42 SECTION 41. IC 4-33-4-3, AS AMENDED BY P.L.14-2000,
 43 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 UPON PASSAGE]: Sec. 3. (a) The commission shall do the following:

45 (1) Adopt rules that the commission determines necessary to
 46 protect or enhance the following:

47 (A) The credibility and integrity of gambling operations

- 1 authorized by this article.
- 2 (B) The regulatory process provided in this article.
- 3 ~~(C) The natural environment and scenic beauty of Patoka~~
- 4 ~~Lake.~~
- 5 (2) Conduct all hearings concerning civil violations of this article.
- 6 (3) Provide for the establishment and collection of license fees
- 7 and taxes imposed under this article.
- 8 (4) Deposit the license fees and taxes in the state gaming fund
- 9 established by IC 4-33-13.
- 10 (5) Levy and collect penalties for noncriminal violations of this
- 11 article.
- 12 (6) Deposit the penalties in the state gaming fund established by
- 13 IC 4-33-13.
- 14 (7) Be present through the commission's inspectors and agents
- 15 during the time gambling operations are conducted on a riverboat
- 16 to do the following:
- 17 (A) Certify the revenue received by a riverboat.
- 18 (B) Receive complaints from the public.
- 19 (C) Conduct other investigations into the conduct of the
- 20 gambling games and the maintenance of the equipment that
- 21 the commission considers necessary and proper.
- 22 ~~(D) With respect to riverboats that operate on Patoka Lake,~~
- 23 ~~ensure compliance with the following:~~
- 24 ~~(i) IC 14-26-2-6.~~
- 25 ~~(ii) IC 14-26-2-7.~~
- 26 ~~(iii) IC 14-28-1.~~
- 27 (8) Adopt emergency rules under IC 4-22-2-37.1 if the
- 28 commission determines that:
- 29 (A) the need for a rule is so immediate and substantial that
- 30 rulemaking procedures under IC 4-22-2-13 through
- 31 IC 4-22-2-36 are inadequate to address the need; and
- 32 (B) an emergency rule is likely to address the need.
- 33 (b) The commission shall begin rulemaking procedures under
- 34 IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted
- 35 under subsection (a)(8) not later than thirty (30) days after the adoption
- 36 of the emergency rule under subsection (a)(8).
- 37 SECTION 42. IC 4-33-4-10 IS AMENDED TO READ AS
- 38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. **If a riverboat**
- 39 **cruises**, the commission shall authorize the route of ~~a the~~ riverboat and
- 40 the stops, if any, that the riverboat may make **while on a cruise**.
- 41 SECTION 43. IC 4-33-4-13 IS AMENDED TO READ AS
- 42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) **This**
- 43 **section does not apply to a riverboat located in a county having a**
- 44 **population of more than nineteen thousand three hundred (19,300)**
- 45 **but less than twenty thousand (20,000).**
- 46 (b) After consulting with the United States Army Corps of
- 47 Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

~~(b)~~ (c) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 44. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 45. IC 4-33-4-21.2, AS AMENDED BY P.L.215-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a riverboat ~~gambling excursion~~
if tickets are issued.

(2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.

(b) The toll free telephone line described in IC 4-33-12-6 must be:

(1) maintained by the division of mental health and addiction under IC 12-23-1-6; and

(2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 46. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission may issue to a person a license to own ~~one (1)~~ a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, **section 3.5 of this chapter**, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates ~~upon Patoka Lake from a county in a historic district~~ described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 47. IC 4-33-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee. **However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this subsection.**

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints

1 for each officer and director of the applicant.

2 (c) The commission shall review the applications for an owner's
3 license under this chapter and shall inform each applicant of the
4 commission's decision concerning the issuance of the owner's license.

5 (d) The costs of investigating an applicant for an owner's license
6 under this chapter shall be paid from the application fee paid by the
7 applicant.

8 (e) An applicant for an owner's license under this chapter must pay
9 all additional costs that are:

- 10 (1) associated with the investigation of the applicant; and
- 11 (2) greater than the amount of the application fee paid by the
12 applicant.

13 **(f) The commission shall recoup all the costs associated with**
14 **investigating or reinvestigating an applicant that is a member of a**
15 **historic preservation commission described in subsection (a) by**
16 **imposing a special investigation fee upon the historic preservation**
17 **commission's licensed operating agent.**

18 SECTION 48. IC 4-33-6-3 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission
20 may not issue an owner's license under this chapter to a person if:

- 21 (1) the person has been convicted of a felony under Indiana law,
22 the laws of any other state, or laws of the United States;
- 23 (2) the person has knowingly or intentionally submitted an
24 application for a license under this chapter that contains false
25 information;
- 26 (3) the person is a member of the commission;
- 27 (4) the person is an officer, a director, or a managerial employee
28 of a person described in subdivision (1) or (2);
- 29 (5) the person employs an individual who:
30 (A) is described in subdivision (1), (2), or (3); and
31 (B) participates in the management or operation of gambling
32 operations authorized under this article;
- 33 (6) the person owns ~~an ownership interest of more than ten~~
34 ~~percent (+10%) in more than one (+) other person holding an~~
35 ~~owner's license issued under the total amount of ownership~~
36 ~~interest permitted under section 3.5 of this chapter; or~~
37 (7) a license issued to the person:
38 (A) under this article; or
39 (B) to own or operate gambling facilities in another
40 jurisdiction;
- 41 has been revoked.

42 SECTION 49. IC 4-33-6-3.5 IS ADDED TO THE INDIANA CODE
43 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
44 UPON PASSAGE]: **Sec. 3.5. (a) For purposes of this section, a**
45 **person is considered to have an ownership interest in a riverboat**
46 **owner's license if the interest is owned directly or indirectly by the**
47 **person or by an entity controlled by the person.**

(b) For purposes of this section, a person is considered to have an ownership interest in a riverboat license if the person is under contract to be the licensed operating agent for the riverboat.

(c) A person may have up to a one hundred percent (100%) ownership interest in not more than two (2) riverboat licenses issued under this chapter.

(d) A person may not have an ownership interest in more than two (2) riverboat owner's licenses issued under this chapter. However, if a person:

(1) has an ownership interest in a riverboat; and

(2) manages a pari-mutuel pull tab facility under IC 4-31-7.5; the person may not have an ownership interest in any other riverboat owner's licenses issued under this chapter.

(e) This section may not be construed to increase the maximum number of licenses permitted under section 1 of this chapter or the number of riverboats that may be owned and operated under a license under section 10 of this chapter.

SECTION 50. IC 4-33-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) **This section does not apply to a riverboat located in a historic district described in IC 4-33-1-1(3).**

(b) In an application for an owner's license, the applicant must state the dock at which the riverboat is based and the navigable waterway on which the riverboat will operate.

SECTION 51. IC 4-33-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

(1) have a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; and

(2) be at least one hundred fifty (150) feet in length.

(b) A riverboat that operates ~~on Patoka Lake~~ **in a county described under IC 4-33-1-1(3)** must:

(1) have the capacity to carry at least five hundred (500) passengers;

(2) be at least one hundred fifty (150) feet in length; and

(3) meet safety standards required by the commission.

(c) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 52. IC 4-33-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. If the commission determines that a person is eligible under this chapter for an owner's license, the commission may issue an owner's license to the

1 person if:

2 (1) the person pays an initial license fee of twenty-five thousand
3 dollars (\$25,000); and

4 (2) the person posts a bond as required in section 9 of this
5 chapter.

6 **However, the historic district described in IC 4-33-1-1(3) or a**
7 **member of the district's historic preservation commission is not**
8 **required to pay the fee charged under this section.**

9 SECTION 53. IC 4-33-6-9 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **Except as**
11 **provided in subsection (1),** a licensed owner must post a bond with the
12 commission at least sixty (60) days before the commencement of
13 ~~regular gambling on the riverboat. excursions.~~

14 (b) The bond shall be furnished in:

15 (1) cash or negotiable securities;

16 (2) a surety bond:

17 (A) with a surety company approved by the commission; and

18 (B) guaranteed by a satisfactory guarantor; or

19 (3) an irrevocable letter of credit issued by a banking institution
20 of Indiana acceptable to the commission.

21 (c) If a bond is furnished in cash or negotiable securities, the
22 principal shall be placed without restriction at the disposal of the
23 commission, but income inures to the benefit of the licensee.

24 (d) The bond:

25 (1) is subject to the approval of the commission;

26 (2) must be in an amount that the commission determines will
27 adequately reflect the amount that a local community will expend
28 for infrastructure and other facilities associated with a riverboat
29 operation; and

30 (3) must be payable to the commission as obligee for use in
31 payment of the licensed owner's financial obligations to the local
32 community, the state, and other aggrieved parties, as determined
33 by the rules of the commission.

34 (e) If after a hearing (after at least five (5) days written notice) the
35 commission determines that the amount of a licensed owner's bond is
36 insufficient, the licensed owner shall upon written demand of the
37 commission file a new bond.

38 (f) The commission may require a licensed owner to file a new bond
39 with a satisfactory surety in the same form and amount if:

40 (1) liability on the old bond is discharged or reduced by judgment
41 rendered, payment made, or otherwise; or

42 (2) in the opinion of the commission any surety on the old bond
43 becomes unsatisfactory.

44 (g) If a new bond obtained under subsection (e) or (f) is
45 unsatisfactory, the commission shall cancel the owner's license. If the
46 new bond is satisfactorily furnished, the commission shall release in
47 writing the surety on the old bond from any liability accruing after the

1 effective date of the new bond.

2 (h) A bond is released on the condition that the licensed owner
3 remains at the site for which the owner's license is granted for the
4 lesser of:

5 (1) five (5) years; or

6 (2) the date the commission grants a license to another licensed
7 owner to operate from the site for which the bond was posted.

8 (i) A licensed owner who does not meet the requirements of
9 subsection (h) forfeits a bond filed under this section. The proceeds of
10 a bond that is in default under this subsection are paid to the
11 commission for the benefit of the local unit from which the riverboat
12 operated.

13 (j) The total and aggregate liability of the surety on a bond is limited
14 to the amount specified in the bond and the continuous nature of the
15 bond may in no event be construed as allowing the liability of the
16 surety under a bond to accumulate for each successive approval period
17 during which the bond is in force.

18 (k) A bond filed under this section is released sixty (60) days after:

19 (1) the time has run under subsection (h); and

20 (2) a written request is submitted by the licensed owner.

21 **(l) The historic district described in IC 4-33-1-1(3) or a member**
22 **of the district's historic preservation commission is not required to**
23 **post the bond required under this section.**

24 SECTION 54. IC 4-33-6-10 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) An owner's
26 license issued under this chapter permits the holder to own and operate
27 one (1) riverboat and equipment for each license.

28 (b) **An owner's license issued under this chapter permits the**
29 **holder to:**

30 **(1) conduct gambling games authorized under this article**
31 **while the riverboat is cruising or docked; and**

32 **(2) allow the continuous ingress and egress of passengers for**
33 **purposes of gambling.**

34 (c) An owner's license issued under this chapter must specify the
35 place where the riverboat must operate and dock. However, the
36 commission may permit the riverboat to dock at a temporary dock in
37 the applicable city for a specific period of time not to exceed one (1)
38 year after the owner's license is issued.

39 ~~(c)~~ **(d)** An owner's initial license expires five (5) years after the
40 effective date of the license.

41 SECTION 55. IC 4-33-6-11 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The
43 commission may revoke an owner's license if:

44 (1) the licensee begins regular ~~riverboat excursions~~ **operations**
45 **more than twelve (12) months after receiving the commission's**
46 **approval of the application for the license; and**

47 (2) the commission determines that the revocation of the license

1 is in the best interests of Indiana.

2 SECTION 56. IC 4-33-6-12 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Unless the
4 owner's license is terminated, expires, or is revoked, the owner's license
5 may be renewed annually upon:

6 (1) the payment of a five thousand dollar (\$5,000) annual renewal
7 fee; and

8 (2) a determination by the commission that the licensee satisfies
9 the conditions of this article.

10 **However, the historic district described in IC 4-33-1-1(3) or a**
11 **member of the district's historic preservation commission is not**
12 **required to pay the fee charged under this section.**

13 (b) A licensed owner shall undergo a complete investigation every
14 three (3) years to determine that the licensed owner remains in
15 compliance with this article.

16 (c) Notwithstanding subsection (b), the commission may investigate
17 a licensed owner at any time the commission determines it is necessary
18 to ensure that the licensee remains in compliance with this article.

19 (d) The licensed owner shall bear the cost of an investigation or
20 reinvestigation of the licensed owner and any investigation resulting
21 from a potential transfer of ownership.

22 **(e) The commission shall recoup all of the costs associated with**
23 **investigating or reinvestigating a member of a historic**
24 **preservation commission described in subsection (a) by imposing**
25 **a special investigation fee upon the historic preservation**
26 **commission's licensed operating agent.**

27 SECTION 57. IC 4-33-6-19 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section
29 applies to:

30 (1) a county contiguous to the Ohio River;

31 ~~(2) a county contiguous to Patoka Lake;~~ and

32 ~~(3)~~ (2) a county contiguous to Lake Michigan that has a
33 population of less than four hundred thousand (400,000).

34 (b) Notwithstanding any other provision of this article, the
35 commission may not issue a license under this article to allow a
36 riverboat to operate in the county unless the voters of the county have
37 approved the conducting of gambling games on riverboats in the
38 county.

39 (c) If the docking of a riverboat in the county is approved by an
40 ordinance adopted under section 18 of this chapter, or if at least the
41 number of the registered voters of the county required under IC 3-8-6-3
42 for a petition to place a candidate on the ballot sign a petition submitted
43 to the circuit court clerk requesting that a local public question
44 concerning riverboat gaming be placed on the ballot, the county
45 election board shall place the following question on the ballot in the
46 county during the next general election:

47 "Shall licenses be issued to permit riverboat gambling in ____

1 County?".

2 (d) A public question under this section shall be placed on the ballot
3 in accordance with IC 3-10-9 and must be certified in accordance with
4 IC 3-10-9-3.

5 (e) The clerk of the circuit court of a county holding an election
6 under this chapter shall certify the results determined under
7 IC 3-12-4-9 to the commission and the department of state revenue.

8 (f) If a public question under this section is placed on the ballot in
9 a county and the voters of the county do not vote in favor of permitting
10 riverboat gambling under this article, a second public question under
11 this section may not be held in that county for at least two (2) years. If
12 the voters of the county vote to reject riverboat gambling a second time,
13 a third or subsequent public question under this section may not be
14 held in that county until the general election held during the tenth year
15 following the year that the previous public question was placed on the
16 ballot.

17 SECTION 58. IC 4-33-6-19.5 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. (a) This section applies**
20 **to a county having a population of more than nineteen thousand**
21 **three hundred (19,300) but less than twenty thousand (20,000).**

22 (b) The commission may issue only one (1) license under this
23 article to allow a riverboat to operate in the county within a
24 historic district established under IC 36-7-11.

25 (c) The commission may not issue a license under this article to
26 allow a riverboat to operate in the county unless the voters of:

27 (1) a town having a population of more than one thousand five
28 hundred (1,500) but less than two thousand two hundred
29 (2,200) located in the county; and

30 (2) a town having a population of less than one thousand five
31 hundred (1,500) located in the county;

32 have approved gambling on riverboats in the county.

33 (d) If at least the number of registered voters of the town
34 required under IC 3-8-6-3 for a petition to place a candidate on the
35 ballot sign a petition submitted to the clerk of the circuit court
36 requesting that a local public question concerning riverboat
37 gambling be placed on the ballot, the county election board shall
38 place the following question on the ballot in the town described in
39 subsection (c) during the next primary or general election or a
40 special election held under this section:

41 "Shall a license be issued to allow riverboat gambling in the
42 town of _____?"

43 (e) A public question under this section shall be placed on the
44 ballot in accordance with IC 3-10-9.

45 (f) If a public question is placed on the ballot under this section
46 and the voters of the town do not vote in favor of allowing
47 riverboat gambling under IC 4-33, another public question

1 regarding riverboat gambling may not be held in the town for at
2 least two (2) years.

3 (g) In a special election held under this section:

- 4 (1) IC 3 applies, except as otherwise provided in this section;
5 and
6 (2) at least as many precinct polling places as were used in the
7 towns described in subsection (c) during the most recent
8 municipal election must be used for the special election.

9 (h) The clerk of the circuit court of a county holding an election
10 under this section shall certify the results determined under
11 IC 3-12-4-9 to the commission and the department of state revenue.

12 SECTION 59. IC 4-33-6.5 IS ADDED TO THE INDIANA CODE
13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]:

15 **Chapter 6.5. Riverboat Operating Agent's License**

16 **Sec. 1.** This chapter applies only to a riverboat operated under
17 a license described in IC 4-33-6-1(a)(6).

18 **Sec. 2. (a)** A person applying for an operating agent's license
19 under this chapter must pay a nonrefundable application fee to the
20 commission. The commission shall determine the amount of the
21 application fee.

22 (b) An applicant must submit the following on forms provided
23 by the commission:

- 24 (1) If the applicant is an individual, two (2) sets of the
25 individual's fingerprints.
26 (2) If the applicant is not an individual, two (2) sets of
27 fingerprints for each officer and director of the applicant.

28 (c) The commission shall review the applications for a license
29 under this chapter and shall inform each applicant of the
30 commission's decision concerning the issuance of the license.

31 (d) The costs of investigating an applicant for a license under
32 this chapter shall be paid from the application fee paid by the
33 applicant.

34 (e) An applicant for a license under this chapter must pay all
35 additional costs that are:

- 36 (1) associated with the investigation of the applicant; and
37 (2) greater than the amount of the application fee paid by the
38 applicant.

39 **Sec. 3.** The commission may not issue an operating agent's
40 license under this chapter to a person if:

- 41 (1) the person has been convicted of a felony under Indiana
42 law, the laws of any other state, or laws of the United States;
43 (2) the person has knowingly or intentionally submitted an
44 application for a license under this chapter that contains false
45 information;
46 (3) the person is a member of the commission;
47 (4) the person is an officer, a director, or a managerial
48 employee of a person described in subdivision (1) or (2);

- (5) the person employs an individual who:
 - (A) is described in subdivision (1), (2), or (3); and
 - (B) participates in the management or operation of gambling operations authorized under this article;
 - (6) the person owns an ownership interest of more than the total amount of ownership interests permitted under IC 4-33-6-3.5; or
 - (7) a license issued to the person:
 - (A) under this article; or
 - (B) to own or operate gambling facilities in another jurisdiction;
- has been revoked.

Sec. 4. In determining whether to grant an operating agent's license to an applicant, the commission shall consider the following:

- (1) The character, reputation, experience, and financial integrity of the following:
 - (A) The applicant.
 - (B) A person that:
 - (i) directly or indirectly controls the applicant; or
 - (ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.
- (2) The facilities or proposed facilities for the conduct of riverboat gambling in a historic district described in IC 4-33-1-1(3).
- (3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.
- (4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.
- (5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
- (6) If the applicant has adequate capitalization to operate a riverboat for the duration of the license.
- (7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

Sec. 5. If the commission determines that a person is eligible under this chapter for an operating agent's license, the commission may issue an operating agent's license to the person if:

- (1) the person pays an initial license fee of twenty-five thousand dollars (\$25,000); and
- (2) the person posts a bond as required in section 6 of this chapter.

Sec. 6. (a) A licensed operating agent must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat operations in the historic district described in IC 4-33-1-1(3).

1 (b) The bond shall be furnished in:

2 (1) cash or negotiable securities;

3 (2) a surety bond:

4 (A) with a surety company approved by the commission;
5 and

6 (B) guaranteed by a satisfactory guarantor; or

7 (3) an irrevocable letter of credit issued by a banking
8 institution of Indiana acceptable to the commission.

9 (c) If a bond is furnished in cash or negotiable securities, the
10 principal shall be placed without restriction at the disposal of the
11 commission, but income inures to the benefit of the licensee.

12 (d) The bond:

13 (1) is subject to the approval of the commission; and

14 (2) must be payable to the commission as obligee for use in
15 payment of the riverboat's financial obligations to the local
16 community, the state, and other aggrieved parties, as
17 determined by the rules of the commission.

18 (e) If after a hearing (after at least five (5) days written notice)
19 the commission determines that the amount of a licensed operating
20 agent's bond is insufficient, the operating agent shall, upon written
21 demand of the commission, file a new bond.

22 (f) The commission may require a licensed operating agent to
23 file a new bond with a satisfactory surety in the same form and
24 amount if:

25 (1) liability on the old bond is discharged or reduced by
26 judgment rendered, payment made, or otherwise; or

27 (2) in the opinion of the commission any surety on the old
28 bond becomes unsatisfactory.

29 (g) If a new bond obtained under subsection (e) or (f) is
30 unsatisfactory, the commission shall cancel the operating agent's
31 license. If the new bond is satisfactorily furnished, the commission
32 shall release in writing the surety on the old bond from any liability
33 accruing after the effective date of the new bond.

34 (h) A bond is released on the condition that the licensed
35 operating agent remains at the site of the riverboat operating
36 within a historic district:

37 (1) for five (5) years; or

38 (2) until the date the commission grants a license to another
39 operating agent to operate from the site for which the bond
40 was posted;

41 whichever occurs first.

42 (i) An operating agent who does not meet the requirements of
43 subsection (h) forfeits a bond filed under this section. The proceeds
44 of a bond that is in default under this subsection are paid to the
45 commission for the benefit of the local unit from which the
46 riverboat operated.

47 (j) The total liability of the surety on a bond is limited to the
48 amount specified in the bond, and the continuous nature of the

1 bond may not be construed as allowing the liability of the surety
 2 under a bond to accumulate for each successive approval period
 3 during which the bond is in force.

4 (k) A bond filed under this section is released sixty (60) days
 5 after:

6 (1) the time specified under subsection (h); and

7 (2) a written request is submitted by the operating agent.

8 Sec. 7. (a) Unless the operating agent's license is terminated,
 9 expires, or is revoked, the operating agent's license may be
 10 renewed annually upon:

11 (1) the payment of a five thousand dollar (\$5,000) annual
 12 renewal fee; and

13 (2) a determination by the commission that the licensee
 14 satisfies the conditions of this article.

15 (b) An operating agent shall undergo a complete investigation
 16 every three (3) years to determine that the operating agent remains
 17 in compliance with this article.

18 (c) Notwithstanding subsection (b), the commission may
 19 investigate an operating agent at any time the commission
 20 determines it is necessary to ensure that the licensee remains in
 21 compliance with this article.

22 (d) The operating agent shall bear the cost of an investigation or
 23 reinvestigation of the operating agent.

24 Sec. 8. A license issued under this chapter permits the holder to
 25 operate a riverboat on behalf of the licensed owner of the
 26 riverboat.

27 Sec. 9. An operating agent licensed under this chapter is
 28 charged with all the duties imposed upon a licensed owner under
 29 this article, including the collection and remission of taxes under
 30 IC 4-33-12 and IC 4-33-13.

31 SECTION 60. IC 4-33-7-3 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A person may
 33 not receive a supplier's license if:

34 (1) the person has been convicted of a felony under Indiana law,
 35 the laws of any other state, or laws of the United States;

36 (2) the person has knowingly or intentionally submitted an
 37 application for a license under this chapter that contains false
 38 information;

39 (3) the person is a member of the commission;

40 (4) the person is an officer, a director, or a managerial employee
 41 of a person described in subdivision (1) or (2);

42 (5) the person employs an individual who:

43 (A) is described in subdivision (1), (2), or (3); and

44 (B) participates in the management or operation of gambling
 45 operations authorized under this article;

46 (6) the person owns more than a ten percent (10%) ownership
 47 interest in any other person holding an owner's license issued

under this ~~chapter~~; **article**; or

(7) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction;

has been revoked.

SECTION 61. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE
AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2002]:

Chapter 7.5. Pari-Mutuel Pull Tab Suppliers

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

(A) applied for the supplier's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid a five thousand dollar (\$5,000) annual license fee; and

(D) submitted on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

Sec. 2. (a) A person holding a supplier's license may sell, lease, and contract to sell or lease pari-mutuel pull tab terminals and devices to a permit holder authorized to sell and redeem pari-mutuel pull tab tickets under IC 4-31-7.5.

(b) Pari-mutuel pull tab terminals and devices may not be distributed unless the terminals and devices conform to standards adopted by the commission.

Sec. 3. A person may not receive a supplier's license if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling operations authorized under this article;

(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or

(7) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction;
has been revoked.

Sec. 4. A person may not furnish pari-mutuel pull tab terminals or devices to a permit holder unless the person possesses a supplier's license.

Sec. 5. (a) A supplier shall furnish to the commission a list of all pari-mutuel pull tab terminals and devices offered for sale or lease in connection with the sale of pari-mutuel pull tab tickets authorized under IC 4-31-7.5.

(b) A supplier shall keep books and records for the furnishing of pari-mutuel pull tab terminals and devices to permit holders separate from books and records of any other business operated by the supplier.

(c) A supplier shall file a quarterly return with the commission listing all sales and leases.

(d) A supplier shall permanently affix the supplier's name to all of the supplier's pari-mutuel pull tab terminals or devices provided to permit holders under this chapter.

Sec. 6. A supplier's pari-mutuel pull tab terminals or devices that are used by a person in an unauthorized gambling operation shall be forfeited to the state.

Sec. 7. Pari-mutuel pull tab terminals and devices that are provided by a supplier may be:

(1) repaired on the premises of a racetrack or satellite facility;
or

(2) removed for repair from the premises of a permit holder to a facility owned by the permit holder.

Sec. 8. (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's license may be renewed annually upon:

(1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and

(2) a determination by the commission that the licensee is in compliance with this article.

(b) The holder of a supplier's license shall undergo a complete investigation every three (3) years to determine that the licensee is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate the holder of a supplier's license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(d) The holder of a supplier's license shall bear the cost of an investigation or reinvestigation of the licensee and any investigation resulting from a potential transfer of ownership.

SECTION 62. IC 4-33-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) An application for an occupational license must:

(1) be made on forms prescribed by the commission; and

(2) contain all information required by the commission.

(b) An applicant for an occupational license must provide the following information in the application:

(1) If the applicant has held other licenses relating to gambling.

(2) If the applicant has been licensed in any other state under any other name. The applicant must provide under this subdivision the name under which the applicant was licensed in the other state.

(3) The applicant's age.

(4) If a permit or license issued to the applicant in another state has been suspended, restricted, or revoked. The applicant must describe the date and length of a suspension, restriction, or revocation described in this subdivision.

(c) The information contained in an application for an occupational license is confidential except for the following:

(1) The first and last name of the applicant.

(2) The age of the applicant.

(3) The city and state of the applicant's residence.

(4) The occupational license number.

(5) The applicant's business address.

(6) The applicant's business telephone number.

(7) The level of license for which the applicant has applied.

(8) The employment position for which the applicant has applied.

SECTION 63. IC 4-33-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) An individual who is disqualified under section 3(2) of this chapter due to a conviction for a felony may apply to the commission for a waiver of the requirements of section 3(2) of this chapter.

(b) The commission may waive **during a public meeting** the requirements of section 3(2) of this chapter with respect to an individual applying for an occupational license if:

(1) the individual qualifies for a waiver under subsection (e) or (f); and

(2) the commission determines that the individual has demonstrated by clear and convincing evidence the individual's rehabilitation.

(c) In determining whether the individual applying for the occupational license has demonstrated rehabilitation under subsection (b), the commission shall consider the following factors:

(1) The nature and duties of the position applied for by the individual.

(2) The nature and seriousness of the offense or conduct.

(3) The circumstances under which the offense or conduct occurred.

(4) The date of the offense or conduct.

(5) The age of the individual when the offense or conduct was

committed.

(6) Whether the offense or conduct was an isolated or a repeated incident.

(7) A social condition that may have contributed to the offense or conduct.

(8) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational education, successful participation in a correctional work release program, or the recommendation of a person who has or has had the individual under the person's supervision.

(9) The complete criminal record of the individual.

(10) The prospective employer's written statement that:

(A) the employer has been advised of all of the facts and circumstances of the individual's criminal record; and

(B) after having considered the facts and circumstances, the prospective employer will hire the individual if the commission grants a waiver of the requirements of section 3(2) of this chapter.

(d) The commission may not waive the requirements of section 3(2) of this chapter for an individual who has been convicted of committing any of the following:

(1) A felony in violation of federal law (as classified in 18 U.S.C. 3559).

(2) A felony of fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction.

(3) A felony of conspiracy to commit a felony described in subdivision (1), (2), or (4) under the laws of Indiana or any other jurisdiction.

(4) A felony of gambling under IC 35-45-5 or IC 35-45-6 or a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a crime described in IC 35-45-5 or IC 35-45-6.

(e) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted of committing:

(A) a felony described in IC 35-42 against another human being or a felony described in IC 35-48-4;

(B) a felony under Indiana law that results in bodily injury, serious bodily injury, or death to another human being; or

(C) a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a felony described in clause (A) or (B); and

(2) ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(f) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted in Indiana or any other jurisdiction of committing a felony not described in subsection (d) or (e); and

(2) five (5) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(g) To enable a prospective employer to determine, for purposes of subsection (c)(10), whether the prospective employer has been advised of all of the facts and circumstances of the individual's criminal record, the commission shall notify the prospective employer of all information that the commission:

(1) has obtained concerning the individual; and

(2) is authorized to release under IC 5-14.

(h) The commission shall deny the individual's request to waive the requirements of section 3(2) of this chapter if the individual fails to disclose to both the commission and the prospective employer all information relevant to this section.

SECTION 64. IC 4-33-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b), a riverboat ~~excursions~~ **cruise** may not exceed four (4) hours for a round trip.

(b) Subsection (a) does not apply to an extended cruise that is expressly approved by the commission.

SECTION 65. IC 4-33-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section applies only to a riverboat that operates from a county that is contiguous to the Ohio River.

(b) A ~~gambling excursion~~ **cruise** is permitted only when the navigable waterway for which the riverboat is licensed is navigable, as determined by the commission in consultation with the United States Army Corps of Engineers.

SECTION 66. IC 4-33-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) All tokens, chips, or electronic cards that are used to make wagers must be purchased from the owner of the riverboat:

(1) while on board the riverboat; or

(2) at an on-shore facility that:

(A) has been approved by the commission; and

(B) is located where the riverboat docks.

(b) The tokens, chips, or electronic cards may be purchased by means of an agreement under which the owner extends credit to the patron.

(c) A licensed owner may not seek treble damages in an action to collect a gambling debt incurred under this section.

SECTION 67. IC 4-33-10-1 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A person who
2 knowingly or intentionally:

3 (1) makes a false statement on an application submitted under this
4 article;

5 (2) operates a ~~gambling excursion~~ **riverboat** in which wagering
6 is conducted or is to be conducted in a manner other than the
7 manner required under this article;

8 (3) permits a person less than twenty-one (21) years of age to
9 make a wager;

10 (4) wagers or accepts a wager at a location other than a riverboat;

11 **or**

12 (5) makes a false statement on an application submitted to the
13 commission under this article **or under IC 4-31-7.5;**

14 **(6) aids, induces, or causes a person less than twenty-one (21)**
15 **years of age who is not an employee of the riverboat gambling**
16 **operation to enter or attempt to enter a riverboat; or**

17 **(7) aids, induces, or causes a person less than twenty-one (21)**
18 **years of age who is not an employee of a pari-mutuel pull tab**
19 **operation licensed under IC 4-31-7.5 to enter or attempt to**
20 **enter the pari-mutuel pull tab operation;**

21 commits a Class A misdemeanor.

22 (b) A person who:

23 (1) is not an employee of the riverboat operation;

24 (2) is less than twenty-one (21) years of age; and

25 (3) knowingly or intentionally enters or attempts to enter a
26 riverboat;

27 commits a Class A misdemeanor.

28 (c) A person who:

29 (1) is not an employee of a pari-mutuel pull tab operation
30 licensed under IC 4-31;

31 (2) is less than twenty-one (21) years of age; and

32 (3) knowingly or intentionally enters or attempts to enter the
33 pari-mutuel pull tab operation;

34 commits a Class A misdemeanor.

35 SECTION 68. IC 4-33-10-5 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. An action to
37 prosecute a crime occurring during a gambling ~~excursion on a~~
38 **riverboat** shall be tried in the county of the dock where the riverboat
39 is ~~based~~ **located**."

40 Page 11, delete lines 16 through 21, begin a new paragraph and
41 insert:

42 "SECTION 69. IC 4-33-12-1 IS AMENDED TO READ AS
43 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A tax is imposed
44 on admissions to ~~gambling excursions a riverboat~~ authorized under
45 this article at a rate of ~~three four~~ dollars (~~\$3~~) (**\$4**) for each ~~person~~
46 ~~admitted to the gambling excursion~~ **patron who is on board at the**
47 **time a passenger count is recorded.**

1 (b) Passenger counts must be recorded one (1) hour after the
2 start of each reporting period and once every two (2) hours
3 thereafter under procedures approved by the commission.

4 (c) If the riverboat's schedule as approved by the commission
5 does not provide for the riverboat to be open to the public at the
6 start of the reporting period, passenger counts must be recorded
7 one (1) hour after the riverboat begins admitting patrons during a
8 reporting period and once every two (2) hours thereafter under
9 procedures approved by the commission.

10 (d) This admission tax is imposed upon the licensed owner
11 conducting the gambling ~~excursion~~ operation."

12 Page 11, line 29, strike "embarking on a riverboat" and insert
13 "counted as required under section 1 of this chapter".

14 Page 11, line 40, strike "embarking on a riverboat" and insert
15 "counted as required under section 1 of this chapter".

16 Page 12, line 4, strike "embarking on a riverboat" and insert
17 "counted as required under section 1 of this chapter".

18 Page 12, line 9, strike "embarking on a riverboat" and insert
19 "counted as required under section 1 of this chapter".

20 Page 12, line 14, strike "embarking on a riverboat" and insert
21 "counted as required under section 1 of this chapter".

22 Page 12, line 19, delete "Sixty-five" and insert "Except as provided
23 in subsection (h), sixty-five".

24 Page 12, line 20, strike "embarking on a riverboat" and insert
25 "counted as required under section 1 of this chapter".

26 Page 12, strike lines 41 through 42.

27 Page 13, strike lines 1 through 21, begin a new line block indented
28 and insert:

29 "(1) Three dollars (\$3) of the admissions tax collected for each
30 person counted under section 1 of this chapter shall be
31 distributed as follows:

32 (A) Twenty-four percent (24%) to the state general fund.

33 (B) Thirty-five percent (35%) to the historic district
34 described in IC 4-33-1-1(3).

35 (C) Twenty-seven percent (27%) to be divided evenly
36 among the counties contiguous to Patoka Lake.

37 (D) Five percent (5%) to a town described in
38 IC 4-33-1-1(3)(C)(i).

39 (E) Five percent (5%) to a town described in
40 IC 4-33-1-1(3)(C)(ii).

41 (F) Two percent (2%) to the tourism commission of a town
42 described in IC 4-33-1-1(3)(C)(i).

43 (G) Two percent (2%) to the tourism commission of a town
44 described in IC 4-33-1-1(3)(C)(ii)."

45 Page 13, line 22, delete "(6)" and insert "(2)".

46 Page 13, line 23, delete "embarking on the riverboat" and insert
47 "counted as required under section 1 of this chapter".

Page 13, line 30, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 13, line 33, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 13, line 37, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 13, line 42, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 14, line 4, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 14, line 9, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 14, line 14, delete "Sixty-five" and insert **"Except as provided
in subsection (h), sixty-five"**.

Page 14, line 15, strike "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 14, line 30, delete "embarking on a riverboat" and insert
"counted as required under section 1 of this chapter".

Page 15, between lines 25 and 26, begin a new paragraph and insert:
**"(h) The treasurer of state shall reduce the amount of
admissions taxes paid to the Indiana horse racing commission each
quarter under subsections (b)(6) and (d)(7) by the amount of pull
tab wagering taxes paid to the Indiana horse racing commission in
the previous quarter under IC 4-31-7.6-4(c)(2). The treasurer of
state shall deposit a reduction required by this subsection in the
state general fund."**

Page 16, between lines 14 and 15, begin a new paragraph and insert:
**"SECTION 13. IC 4-33-13-4, AS AMENDED BY P.L.273-1999,
SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2002]: Sec. 4. Sufficient funds are annually appropriated to
the commission from the state gaming fund to administer this article.
Funds in the fund are available, with the approval of the budget
agency, to augment and supplement the funds appropriated to the
commission for the purpose of administering pari-mutuel pull tabs
under IC 4-31-7.5."**

Page 16, line 17, after "Sec. 5." insert **"(a) This subsection does not
apply to a riverboat located in a historic district described in
IC 4-33-1-1(3)."**

Page 16, between lines 40 and 41, begin a new paragraph and insert:
**"(b) This subsection applies only to a riverboat located in a
historic district described in IC 4-33-1-1(3). After funds are
appropriated under section 4 of this chapter, each year the
treasurer of state shall distribute the tax revenue deposited in the
state gaming fund under this chapter to the following:**

(1) Twenty-four percent (24%) to the state general fund.

**(2) Thirty-five percent (35%) to the historic district described
in IC 4-33-1-1(3).**

(3) Twenty-seven percent (27%) to be divided evenly among the counties contiguous to Patoka Lake.

(4) Five percent (5%) to a town described in IC 4-33-1-1(3)(C)(i).

(5) Five percent (5%) to a town described in IC 4-33-1-1(3)(C)(ii).

(6) Two percent (2%) to the tourism commission of a town described in IC 4-33-1-1(3)(C)(i).

(7) Two percent (2%) to the tourism commission of a town described in IC 4-33-1-1(3)(C)(ii).

The treasurer of state shall distribute the amounts that are required to be paid under this subsection on a monthly basis.

SECTION 13. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; and

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

(c) Money paid by the treasurer of state under section 5(b)(6) and 5(b)(7) of this chapter must be used only for the tourism promotion, advertising, and economic development activities of the respective towns.

SECTION 14. IC 4-33-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. The general assembly declares that the opportunity for full minority and women's business enterprise participation in the riverboat ~~industry and pari-mutuel pull tab industries~~ is essential if social and economic parity is to be obtained by minority and women business persons and if the economies of the riverboat ~~cities and pari-mutuel pull tab communities~~ are to be stimulated as contemplated by this article and IC 4-31-7.5. In complying with this chapter, a licensed owner or permit holder should give priority to minority and women's business enterprises in the following order:

(1) Local enterprises.

(2) Enterprises located in Indiana and the region surrounding the licensee's riverboat or pull tab facility.

(3) Indiana enterprises.

(4) National enterprises.

SECTION 15. IC 4-33-14-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 1.5. This chapter applies to:**

- (1) **a licensed owner of a riverboat licensed under this article;**
- and**
- (2) **a permit holder licensed to sell pari-mutuel pull tabs under IC 4-31-7.5.**

SECTION 16. IC 4-33-14-5, AS AMENDED BY P.L.195-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 5. (a)** As used in this section, "goods and services" does not include the following:

- (1) Utilities and taxes.
- (2) Financing costs, mortgages, loans, or other debt.
- (3) Medical insurance.
- (4) Fees and payments to a parent or an affiliated company of the person holding an owner's license **or a pari-mutuel pull tab license**, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license **or a pari-mutuel pull tab license**.
- (5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, the commission shall establish annual goals for a person issued an owner's license **or a pari-mutuel pull tab license**:

- (1) for the use of minority and women's business enterprises; and
- (2) derived from a statistical analysis of utilization study of licensee contracts for goods and services that are required to be updated every five (5) years.

A person holding an owner's license **or a pari-mutuel pull tab license** shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) A person holding an owner's license **or a pari-mutuel pull tab license** shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort was made to meet the requirements.

(d) A person holding an owner's license **or a pari-mutuel pull tab license** may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the licensee shall provide the commission with proof of the amount of the set aside.

SECTION 17. IC 4-33-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 6.** If the commission determines that the provisions of this chapter relating to expenditures

and assignments to minority and women's business enterprises have not been met by a licensee, the commission may suspend, limit, or revoke the owner's license **or fine or the permit holder's pari-mutuel pull tab license**, or impose a civil penalty or appropriate conditions on the licensee to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a person holding an owner's license **or a pari-mutuel pull tab license** has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

SECTION 18. IC 4-33-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with riverboat operations **and pari-mutuel pull tab operations** on contracts for goods and services or contracts for business.

SECTION 19. IC 4-33-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. The commission shall supply persons holding owner's licenses **or pari-mutuel pull tab licenses** with a list of the minority and women's business enterprises the commission has certified under section 7 of this chapter. The commission shall review the list annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish a procedure for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all parties concerned.

SECTION 20. IC 4-33-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) This section applies to **the following**:

(1) A person holding an owner's licenses for riverboats operated from a city described under IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(3).

(2) **A person holding a license to sell pari-mutuel pull tabs under IC 4-31-7.5.**

(b) The commission shall require persons holding owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs.

(c) **The commission shall require a person holding a pari-mutuel pull tab license to adopt policies concerning the preferential hiring of residents of the city or county in which the person has a pari-mutuel pull tab operation.**

SECTION 21. IC 4-33-14-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. **The commission shall deposit civil penalties imposed under section 6 of this chapter in the minority and women business participation fund established by section 12 of this chapter.**

SECTION 22. IC 4-33-14-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 12. (a) The minority and women business participation fund is established to assist minority and women business enterprises. The fund shall be administered by the commission. The fund consists of fees collected under section 13 of this chapter and civil penalties imposed under section 6 of this chapter.**

(b) The Indiana department of administration may use fees collected under section 13 of this chapter to hire employees to administer this chapter. The commission may use other money in the fund for the purposes of this chapter.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 23. IC 4-33-14-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 13. The commission shall charge an annual fee of ten thousand dollars (\$10,000) upon the following:**

(1) Each licensed owner of a riverboat licensed under this article.

(2) Each racetrack offering pari-mutuel pull tabs under IC 4-31-7.5.

(3) Each satellite facility offering pari-mutuel pull tabs under IC 4-31-7.5.

The fees collected under this section must be deposited in the minority and women business participation fund.

SECTION 24. IC 4-33-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 16. Gambling Operations in a Historic District

Sec. 1. This chapter applies only to a historic district described in IC 4-33-1-1(3) and established under IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "district" refers to the historic district established under IC 36-7-11-4.5.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission established under IC 36-7-11-4.5.

Sec. 4. As used in this chapter, "operating expenses" means the following:

(1) Money spent by the historic preservation commission in the exercise of the historic preservation commission's powers under this article, IC 36-7-11-23, and IC 36-7-11-24 as limited

1 by section 5 of this chapter.

2 (2) Management fees paid to the riverboat's licensed
3 operating agent.

4 Sec. 5. A riverboat authorized under this article for a historic
5 district described in IC 4-33-1-1(3) must be located on real
6 property located in the district between the two (2) historic resort
7 hotels.

8 Sec. 6. The commission shall grant an owner's license to the
9 historic preservation commission upon the fulfillment of the
10 following requirements:

11 (1) Riverboat gaming is approved in a public question in each
12 of the towns in which the district is located.

13 (2) The commission completes the investigations required
14 under IC 4-33-6.

15 Sec. 7. The historic preservation commission shall contract with
16 another person to operate a riverboat located in the district. The
17 person must be a licensed operating agent under IC 4-33-6.5.

18 Sec. 8. The net income derived from the riverboat after the
19 payment of all operating expenses shall be deposited in the
20 community trust fund established by IC 36-7-11.4-4.

21 Sec. 9. After deducting any tax revenue received under
22 IC 4-33-12 and IC 4-33-13 that:

23 (1) is expended by the historic preservation commission to
24 carry out the historic preservation commission's duties and
25 powers under this article, IC 36-7-11-3, and IC 36-7-11-24; or

26 (2) is pledged to bonds, leases, or other obligations under
27 IC 5-1-14-4;

28 the historic preservation commission shall deposit the remaining
29 tax revenue in the community trust fund established by
30 IC 36-7-11.4-4.

31 Sec. 10. (a) As used in this section, "electronic gaming device"
32 has the meaning set forth in 68 IAC 1-1-29.

33 (b) As used in this section, "live gaming device" has the meaning
34 set forth in 68 IAC 1-1-59.

35 (c) The licensed owner of a riverboat located in the historic
36 district may not install more than five hundred (500) electronic
37 gaming devices on board the riverboat.

38 (d) This section does not limit the number of live gaming devices
39 that the licensed owner may install on board the riverboat."

40 Page 101, delete lines 33 through 42.

41 Page 102, delete lines 1 through 15, begin a new paragraph and
42 insert:

43 "SECTION 72. IC 6-3-4-8.2 IS AMENDED TO READ AS
44 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8.2. (a) Each person in
45 Indiana who is required under the Internal Revenue Code to withhold
46 federal tax from winnings shall deduct and retain adjusted gross
47 income tax at the time and in the amount described in withholding
48 instructions issued by the department. **In addition, a licensed owner**

(as defined in IC 4-33-2-13) or a permit holder (as defined in IC 4-31-2-14) shall deduct and retain adjusted gross income tax on winnings from a slot machine or a pari-mutuel pull tab terminal or device if the amount of the winnings is at least one thousand two hundred dollars (\$1,200). The licensed owner or permit holder shall report and pay the withheld amount to the department before the close of the business day following the day the winnings are paid, actually or constructively.

(b) A licensed owner (as defined in IC 4-33-2-13) shall deduct and retain adjusted gross income tax on winnings from a keno game if the net amount of the winnings, after deducting the amount of the wager, is at least one thousand five hundred dollars (\$1,500). The licensed owner shall report and pay the withheld amount to the department before the close of the business day following the day the winnings are paid, actually or constructively."

Page 144, line 15, after "only" insert "the pari-mutuel pull tab wagering tax (IC 4-31-7.6-3);".

Page 173, between lines 9 and 10, begin a new paragraph and insert:
"SECTION 155. IC 34-24-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) If a person suffers a pecuniary loss as a result of a violation of IC 35-43, IC 35-42-3-3, IC 35-42-3-4, or IC 35-45-9, the person may bring a civil action against the person who caused the loss for the following:

(1) **Except as provided in subsection (b)**, an amount not to exceed three (3) times the actual damages of the person suffering the loss.

(2) The costs of the action.

(3) A reasonable attorney's fee.

(4) Actual travel expenses that are not otherwise reimbursed under subdivisions (1) through (3) and are incurred by the person suffering loss to:

(A) have the person suffering loss or an employee or agent of that person file papers and attend court proceedings related to the recovery of a judgment under this chapter; or

(B) provide witnesses to testify in court proceedings related to the recovery of a judgment under this chapter.

(5) A reasonable amount to compensate the person suffering loss for time used to:

(A) file papers and attend court proceedings related to the recovery of a judgment under this chapter; or

(B) travel to and from activities described in clause (A).

(6) Actual direct and indirect expenses incurred by the person suffering loss to compensate employees and agents for time used to:

(A) file papers and attend court proceedings related to the recovery of a judgment under this chapter; or

(B) travel to and from activities described in clause (A).

(7) All other reasonable costs of collection.

(b) The owner of a riverboat licensed under IC 4-33 or the owner's assignee who suffers a pecuniary loss as the result of a violation of IC 35-43-5-5 is entitled to the actual damages resulting from the violation. In addition, the owner or the owner's assignee is entitled to the amounts described in subsection (a)(2) through (a)(7).

SECTION 156. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) Except as provided in subsection (b), a person who:

(1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;

(2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or

(3) having control over the use of a place, knowingly or intentionally permits another person to use the place for professional gambling;

commits promoting professional gambling, a Class D felony.

(b) Subsection (a)(1) does not apply to a boat manufacturer who:

(1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and

(2) does not display the gambling device to the general public or make the device available for use in Indiana.

(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.

(d) Subsection (a)(1) does not apply to a person who:

(1) possesses an antique slot machine;

(2) restricts display and use of the antique slot machine to the person's private residence; and

(3) does not use the antique slot machine for profit.

(e) As used in this section, "antique slot machine" refers to a slot machine that is:

(1) at least forty (40) years old; and

(2) possessed and used for decorative, historic, or nostalgic

1 **purposes.**

2 SECTION 157. IC 35-45-5-7 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. This chapter does not
4 apply to the publication or broadcast of an advertisement, a list of
5 prizes, or other information concerning:

6 (1) pari-mutuel wagering on horse races or a lottery authorized by
7 the law of any state; ~~or~~

8 (2) a game of chance operated in accordance with IC 4-32; **or**

9 **(3) a pari-mutuel pull tab game operated in accordance with**
10 **IC 4-31-7.5.**

11 SECTION 158. IC 35-45-5-11 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2002]: **Sec. 11. This chapter does not apply**
14 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

15 SECTION 161. IC 36-7-11-4.3 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.3. (a) An
17 ordinance that establishes a historic preservation commission under
18 section 4 **or 4.5** of this chapter may authorize the staff of the
19 commission, on behalf of the commission, to grant or deny an
20 application for a certificate of appropriateness.

21 (b) An ordinance adopted under this section must specify the types
22 of applications that the staff of the commission is authorized to grant
23 or deny. The staff may not be authorized to grant or deny an application
24 for a certificate of appropriateness for the following:

25 (1) The demolition of a building.

26 (2) The moving of a building.

27 (3) The construction of an addition to a building.

28 (4) The construction of a new building.

29 SECTION 162. IC 36-7-11-4.5 IS ADDED TO THE INDIANA
30 CODE AS A NEW SECTION TO READ AS FOLLOWS
31 [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. (a) This section applies**
32 **to the following towns located in a county having a population of**
33 **more than nineteen thousand three hundred (19,300) but less than**
34 **twenty thousand (20,000):**

35 **(1) A town having a population of more than one thousand**
36 **five hundred (1,500) but less than two thousand two hundred**
37 **(2,200).**

38 **(2) A town having a population of less than one thousand five**
39 **hundred (1,500).**

40 **(b) The towns described in subsection (a) may enter into an**
41 **interlocal agreement under IC 36-1-7 to establish a joint historic**
42 **district under this chapter. An ordinance entering into the**
43 **interlocal agreement must provide for the following membership**
44 **of a joint historic preservation commission to administer the joint**
45 **historic district:**

46 **(1) A member of the town council of a town described in**
47 **subsection (a)(1).**

1 (2) A member of the town council of a town described in
2 subsection (a)(2).

3 (3) The owner of a historic resort hotel located in a town
4 described in subsection (a)(1) or the owner's designee.

5 (4) The owner of a historic resort hotel located in a town
6 described in subsection (a)(2) or the owner's designee.

7 (5) An individual appointed by the Historic Landmarks
8 Foundation of Indiana.

9 (6) An individual who resides in the county described in
10 subsection (a) appointed by the town council of a town
11 described in subsection (a)(1).

12 (7) An individual who resides in the county described in
13 subsection (a) appointed by the town council of a town
14 described in subsection (a)(2).

15 The members described in subdivisions (1) and (2) shall be
16 appointed by the town councils of the respective towns.

17 (c) A member of the commission described in subsection (b)(1)
18 or (b)(2) shall serve for the duration of the member's term of office
19 on the town council. The members described in subsection (b)(5)
20 through (b)(7) shall each serve for a term of three (3) years.
21 However, the terms of the original voting members may be for one
22 (1) year, two (2) years, or three (3) years in order for the terms to
23 be staggered, as provided by the ordinance. A vacancy shall be
24 filled for the duration of the term by the original appointing
25 authority.

26 (d) The ordinance may provide qualifications for members of
27 the commission described in subsection (b)(6) and (b)(7). In
28 addition, the members appointed under subsection (b)(6) and (b)(7)
29 must be residents of the county that are interested in the
30 preservation and development of historic areas. The members of
31 the commission should include professionals in the disciplines of
32 architectural history, planning, and other disciplines related to
33 historic preservation, to the extent that those professionals are
34 available in the community. The ordinance may also provide for
35 the appointment of advisory members that the legislative body
36 considers appropriate.

37 (e) Each member of the commission must, before beginning the
38 discharge of the duties of the member's office, do the following:

39 (1) Take an oath that the member will faithfully execute the
40 duties of the member's office according to Indiana law and
41 rules adopted under Indiana law.

42 (2) Provide a bond to the state that:

43 (A) is approved by the Indiana gaming commission;

44 (B) is for twenty-five thousand dollars (\$25,000); and

45 (C) is, after being executed and approved, recorded in the
46 office of the secretary of state.

47 (f) The ordinance may:

48 (1) designate an officer or employee of a town described in

subsection (a) to act as administrator;

(2) permit the commission to appoint an administrator who shall serve without compensation except reasonable expenses incurred in the performance of the administrator's duties; or

(3) provide that the commission act without the services of an administrator.

(g) Members of the commission shall serve without compensation except for reasonable expenses incurred in the performance of their duties.

(h) The commission shall elect from its membership a chairperson and vice chairperson, who shall serve for one (1) year and may be reelected.

(i) The commission shall adopt rules consistent with this chapter for the transaction of its business. The rules must include the time and place of regular meetings and a procedure for the calling of special meetings. All meetings of the commission must be open to the public, and a public record of the commission's resolutions, proceedings, and actions must be kept. If the commission has an administrator, the administrator shall act as the commission's secretary. If the commission does not have an administrator, the commission shall elect a secretary from its membership.

(j) The commission shall hold regular meetings, at least monthly, except when it has no business pending.

(k) A decision of the commission is subject to judicial review under IC 4-21.5-5 as if it were a decision of a state agency.

(l) Money acquired by the historic preservation commission:

(1) is subject to the laws concerning the deposit and safekeeping of public money; and

(2) must be deposited under the advisory supervision of the state board of finance in the same way and manner, at the same rate of interest, and under the same restrictions as other state money.

(m) The money of the historic preservation commission and the accounts of each officer, employee, or other person entrusted by law with the raising, disposition, or expenditure of the money or part of the money are subject to the following:

(1) Examination by the state board of accounts.

(2) The same penalties and the same provision for publicity that are provided by law for state money and state officers.

SECTION 163. IC 36-7-11-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. An ordinance that establishes a historic preservation commission under section 4 or 4.5 of this chapter may:

(1) authorize the commission to:

(A) acquire by purchase, gift, grant, bequest, devise, or lease any real or personal property, including easements, that is appropriate for carrying out the purposes of the commission;

(B) hold title to real and personal property; and

(C) sell, lease, rent, or otherwise dispose of real and personal property at a public or private sale on the terms and conditions that the commission considers best; and

(2) establish procedures that the commission must follow in acquiring and disposing of property.

SECTION 164. IC 36-7-11-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 23. (a) This section applies to a historic preservation commission established by section 4.5 of this chapter.**

(b) In addition to the commission's other duties set forth in this chapter, the commission shall do the following:

(1) Designate a fiscal agent who must be the fiscal officer of one (1) of the towns described in section 4.5(a) of this chapter.

(2) Employ professional staff to assist the commission in carrying out its duties under this section.

(3) Engage consultants, attorneys, accountants, and other professionals necessary to carry out the commission's duties under this section.

(4) Own the riverboat license described in IC 4-33-6-1(a)(6).

(5) Develop requests for proposals for persons interested in operating and managing the riverboat authorized under IC 4-33 on behalf of the commission as the riverboat's licensed operating agent.

(6) Recommend a person to the Indiana gaming commission that the historic preservation commission believes will:

(A) promote the most economic development in the area surrounding the historic district;

(B) best meet the criteria set forth in IC 4-33-6-4; and

(C) best serve the interests of the citizens of Indiana.

However, the gaming commission is not bound by the recommendation of the historic preservation commission.

SECTION 165. IC 36-7-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24. (a) This section applies to a historic preservation commission established by section 4.5 of this chapter.**

(b) In addition to the commission's other powers set forth in this chapter, the commission may do the following:

(1) Enter contracts to carry out the commission's duties under section 23 of this chapter, including contracts for the construction, maintenance, operation, and management of a riverboat to be operated in the historic district under IC 4-33.

(2) Provide recommendations to the Indiana gaming commission concerning the operation and management of a riverboat to be operated in the historic district under IC 4-33.

(c) This section may not be construed to limit the powers of the Indiana gaming commission with respect to the administration and

1 regulation of riverboat gaming under IC 4-33.

2 SECTION 166. IC 36-7-11.4 IS ADDED TO THE INDIANA
3 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]:

5 **Chapter 11.4. Community Trust Fund**

6 **Sec. 1. This section applies to a historic district established by**
7 **IC 36-7-11-4.5.**

8 **Sec. 2. As used in this chapter, "fund" refers to the community**
9 **trust fund established by section 4 of this chapter.**

10 **Sec. 3. As used in this chapter, "historic preservation**
11 **commission" refers to the historic preservation commission**
12 **described in IC 36-7-11-4.5.**

13 **Sec. 4. (a) The community trust fund is established.**

14 **(b) The fund consists of the following:**

- 15 **(1) Money disbursed from the historic preservation**
16 **commission.**
- 17 **(2) Donations.**
- 18 **(3) Interest and dividends on assets of the fund.**
- 19 **(4) Money transferred to the fund from other funds.**
- 20 **(5) Money from any other source.**

21 **Sec. 5. (a) The historic preservation commission shall manage**
22 **and develop the fund and the assets of the fund.**

23 **(b) The historic preservation commission shall do the following:**

- 24 **(1) Establish a policy for the investment of the fund's assets.**
- 25 **(2) Perform other tasks consistent with prudent management**
26 **and development of the fund.**

27 **Sec. 6. (a) Subject to the investment policy of the historic**
28 **preservation commission, the fiscal agent appointed by the historic**
29 **preservation commission shall administer the fund and invest the**
30 **money in the fund.**

31 **(b) The expenses of administering the fund and implementing**
32 **this chapter shall be paid from the fund.**

33 **(c) Money in the fund that is not currently needed to meet the**
34 **obligations of the fund may be invested in the same manner as**
35 **other public funds are invested. Interest that accrues from these**
36 **investments shall be deposited in the fund.**

37 **(d) Money in the fund at the end of a state fiscal year does not**
38 **revert to the state general fund.**

39 **Sec. 7. (a) The historic preservation commission has the sole**
40 **authority to allocate money from the fund for the following**
41 **purposes:**

- 42 **(1) The preservation, restoration, maintenance, operation,**
43 **and development of a historic resort hotel located in a town**
44 **described in IC 36-7-11-4.5(a)(1).**
- 45 **(2) The preservation, restoration, maintenance, operation,**
46 **and development of a historic resort hotel located in a town**
47 **described in IC 36-7-11-4.5(a)(2).**
- 48 **(3) Infrastructure projects and other related improvements in**

1 the surrounding community.

2 (b) Money allocated under subsection (a)(1) and (a)(2) must be
3 divided equally between the historic resort hotels described in
4 subsection (a).

5 **Sec. 8. The historic preservation commission shall prepare an**
6 **annual report concerning the fund and submit the report to the**
7 **legislative council before October 1 of each year. The report is a**
8 **public record."**

9 Page 222, between lines 17 and 18, begin a new paragraph and
10 insert:

11 "SECTION 172. THE FOLLOWING ARE REPEALED
12 [EFFECTIVE UPON PASSAGE]: IC 4-33-2-8; IC 4-33-4-19;
13 IC 4-33-9-2; IC 4-33-15."

14 Page 222, between lines 24 and 25, begin a new paragraph and
15 insert:

16 **SECTION 175. [EFFECTIVE JULY 1, 2002] (a) The Indiana**
17 **gaming commission shall adopt the emergency rules required**
18 **under IC 4-31-7.5-11, as added by this act, before December 1,**
19 **2002.**

20 **(b) This SECTION expires December 31, 2002.**

21 **SECTION 176. [EFFECTIVE UPON PASSAGE] (a) The Indiana**
22 **gaming commission shall adopt a resolution authorizing a**
23 **riverboat licensed under IC 4-33 to permit the continuous ingress**
24 **and egress of patrons for the purpose of gambling. The commission**
25 **may exercise any power necessary to implement this act under a**
26 **resolution authorized under this SECTION.**

27 **(b) This SECTION expires January 1, 2003.**

28 **SECTION 177. [EFFECTIVE UPON PASSAGE] (a) If the Indiana**
29 **gaming commission determines that a permit holder has met the**
30 **requirements of this act, the Indiana gaming commission shall**
31 **adopt a resolution authorizing a permit holder to sell pari-mutuel**
32 **pull tabs under IC 4-31-7.5, as added by this act. The commission**
33 **may exercise any power necessary to implement this act under a**
34 **resolution authorized under this SECTION.**

35 **(b) This SECTION expires January 1, 2003."**

36 Renumber all SECTIONS consecutively.

(Reference is to EHB 1001(ss) as printed June 13, 2002.)

Senator NUGENT